



**TESTIMONY IN SUPPORT OF HOUSE BILL 5428,
AN ACT CONCERNING CASE BOTTLE QUANTITIES FOR CERTAIN
ALCOHOLIC LIQUOR**

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Good afternoon, Senator Leone, Representative Baram and members of the General Law Committee. My name is Dwayne Kratt and I am the senior director for state government affairs at Diageo. I work with more than 600 colleagues at our North American headquarters which is located in Norwalk, CT. Diageo is a leading player in the alcohol beverage industry with premium brands in beer and spirits alcohol beverage categories.

I am here today to testify in support of HB 5428, An Act Concerning Case Bottle Quantities for Certain Alcoholic Liquor. We very much appreciate the committee for raising this bill.

Why are we requesting this legislation?

In 2014, we introduced a special commemorative 750 ml Seagram's 7 bottle which was packed as a 9 bottle case instead of the customary 12 bottle case. Also in 2014, we began to pack our 200 ml Crown Royal bottles in 44 bottle cases rather than the customary 48 bottle cases. The reason why we converted to a 44 bottle case for this product was because when we changed from a glass bottle to a PET bottle on the 200 ml container, the PET bottle did not fit into the 48 bottle case box.

Under current law, both of these containers are prohibited from being sold in Connecticut because Connecticut law defines what constitutes a case of spirits and only spirits. A handful of other states also define a case but those states also allow the regulatory authority to grant a waiver for odd size cases.

Simply put, the substance of this legislation gives the Commissioner of DCP the discretion to grant a waiver upon request.

Why does the law exist in the first place?

Since this provision applies only to spirits, it is not readily apparent why this law exists. We presume that this law exists to prevent quantity discounts. Without this law, a supplier conceivably could offer for sale a 100 bottle case and suggest a lower per bottle charge to retailers for that case than a customary 12 bottle case. To that end, we recognize the rationale for the law.

What does the legislation do?

HB 5428 would amend Conn. Gen. Stat. §30-1(6)(B) by adding a phrase to the definition of a case giving the Commissioner of Consumer Protection authority to grant an exception:

or fewer, with the permission of the Commissioner of Consumer Protection,

Had this provision been in the law in 2014, we could have sought a waiver from the Commissioner and presumably would have been able to sell the commemorative Seagram's bottle in Connecticut just as we were able to sell it in the other 49 states. Hopefully with passage of this legislation, the Commissioner will grant us permission to sell the 200 ml Crown Royal product in a 44 bottle case.

Finally, the legislation also updates the standard spirit bottle volume sizes that are permitted for sale in the United States by the federal Tax and Trade Bureau. While many of us may still refer to a 750 ml container as a "fifth", federal law no longer recognizes that classification.

Thank you again for raising this legislation and giving it your consideration.